Supplementary Information for Legislative Review

2000-2001 Departmental Expenditure Estimates

Employee Pensions and Other Costs

EMPLOYEE PENSIONS AND OTHER COSTS

SUPPLEMENTARY INFORMATION

FOR

LEGISLATIVE REVIEW

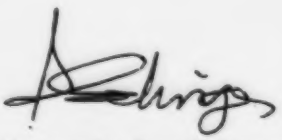
2000-2001 EXPENDITURE ESTIMATES

PREFACE

This document has been produced by the Department of Finance and is intended to provide additional background information on the Employee Pensions and Other Costs which should complement the information contained in the 2000 Manitoba Estimates of Expenditure for the fiscal year ending March 31, 2001.

The contents of this supplement are organized into three parts. The first part provides an overview of Employee Pensions and Other Costs' 2000-2001 estimates of expenditure. The second part provides financial information including details for each of the programs while part three provides historical information.

This document has been developed to assist Members of the Legislature in the review of the 2000 Manitoba Estimates of Expenditure. It is hoped that it will provide meaningful additional information and that it will meet the needs of the users of the information. I welcome feedback as to the usefulness of this supplementary information.



Honourable Greg Selinger
Minister of Finance

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PART I

DEPARTMENTAL OVERVIEW

EMPLOYEE PENSIONS AND OTHER COSTS

MINISTER

Honourable Greg Selinger

SECRETARY TO TREASURY BOARD

Don Potter

OVERVIEW

The Benefits Administration branch of Labour Relations Services, Treasury Board Secretariat, is responsible for providing central administrative services to government-wide employee benefits and insurance programs in accordance with collective agreements, legislation and personnel policies. Negotiated plans include the Ambulance & Hospital Semi-Private (AHSP), Dental, Vision, and Long Term Disability plans. The branch manages the chargeback and recovery of Workers' Compensation costs from government departments and agencies and compiles financial information for statutory benefit and insurance programs including the Civil Service Superannuation Pension Plan, Canada Pension Plan, Group Life Insurance, Employment Insurance and the Levy for Health and Post-Secondary Education.

SCHEDULE 1

EMPLOYEE PENSIONS AND OTHER COSTS
EXPENDITURE SUMMARY
BY APPROPRIATION

		Estimates of Expenditure 2000/2001 $(000's)	Change From 1999/2000 %	Estimates of Expenditure 1999/2000 $(000's)*
1.	Employee Pensions And Other Costs	**53,859.1**	6.1	50,753.9
TOTAL APPROPRIATIONS FOR EMPLOYEE PENSIONS AND OTHER COSTS		**53,859.1**	6.1	50,753.9

***Reconciliation Statement**
$ (000's)

Printed Estimates of Expenditure 1999/2000	50,753.9
Estimates of Expenditure 1999/2000 (Adjusted)	50,753.9

EMPLOYEE PENSIONS AND OTHER COSTS
EXPENDITURE SUMMARY
BY SUB-APPROPRIATION

ELEMENT	ESTIMATES OF EXPENDITURE 2000/2001 $(000's)		ESTIMATES OF EXPENDITURE 1999/2000 $(000's)	
Civil Service Superannuation Plan		50,344.1		47,238.9
Other Salary Related Benefits		3,500.0		3,500.0
Workers' Compensation Board:				
Assessments re: Accidents to Government Employees	3,816.0		4,204.7	
Less: Recoverable from Other Appropriations	(3,801.0)		(4,189.7)	
		15.0		15.0
Canada Pension Plan	19,466.0		18,791.7	
Employment Insurance Plan	17,747.4		20,131.7	
Civil Service Group Life Insurance	1,645.6		1,760.7	
Dental Plan	5,845.5		5,620.7	
Long Term Disability Plan	3,497.0		3,161.3	
Ambulance and Hospital Semi-Private Plan	308.7		234.0	
Vision Care	1,052.4		800.0	
Levy for Health and Post-Secondary Education	13,803.4		14,316.7	
		63,366.0		64,816.8
Less: Recoverable from Other Appropriations		(63,366.0)		(64,816.8)
TOTAL FOR EMPLOYEE PENSIONS AND OTHER COSTS		53,859.1		50,753.9

PART 2

PROGRAM AND FINANCIAL INFORMATION

Resolution No.	Approp. No.	Employee Pensions and Other Costs (6) Details of Appropriation	**Estimates of Expenditure 2000/2001 $(000's)**	Estimates of Expenditure 1999/2000 $(000's)
6.1	1.	EMPLOYEE PENSION AND OTHER COSTS	**53,859.1**	50,753.9
		Provides for the cost of various payments related to employees including: pension payments to retired employees of the Manitoba Government and its various boards, commissions and agencies; severance and separation pay liability; and other payments by the government as an employer.		
		a) Civil Service Superannuation Plan	**50,344.1**	47,238.9
		b) Other Salary Related Benefits	**3,500.0**	3,500.0
		c) Workers' Compensation Board	**15.0**	15.0
		(1) Assessments re: Accidents to Government Employees	**3,816.0**	4,204.7
		(2) Less: Recoverable from other appropriations	**(3,801.0)**	(4,189.7)
		Sub-total (c)	**15.0**	15.0
		Sub-total (a), (b) and (c)	**53,859.1**	50,753.9
		d) Canada Pension Plan	**19,466.0**	18,791.7
		e) Employment Insurance Plan	**17,747.4**	20,131.7
		f) Civil Service Group Life Insurance	**1,645.6**	1,760.7
		g) Dental Plan	**5,845.5**	5,620.7
		h) Long Term Disability Plan	**3,497.0**	3,161.3
		j) Ambulance and Hospital Semi-Private Plan	**308.7**	234.0
		k) Vision Care	**1,052.4**	800.0
		m) Levy for Health and Post-Secondary Education	**13,803.4**	14,316.7
		Sub-total (d) to (m)	**63,366.0**	64,816.8
		n) Less: Recoverable from other appropriations	**(63,366.0)**	(64,816.8)
		TOTAL APPROPRIATIONS FOR EMPLOYEE PENSIONS AND OTHER COSTS	**53,859.1**	50,753.9

	Estimates of Expenditure 2000/2001 $(000's)	Estimates of Expenditure 1999/2000 $(000's)
CIVIL SERVICE SUPERANNUATION PLAN Provides a pension plan for all eligible civil servants and reimburses the Civil Service Superannuation Board for the employer's share (50%) of pensions paid to retired civil servants, including the annual cost of living increase.	**50,344.1**	47,238.9
OTHER SALARY RELATED BENEFITS Provides for the annual severance and separation pay liability as at March 31 for employees who have met the service requirements stated in the collective agreement and are still members of the civil service.	**3,500.0**	3,500.0
WORKERS' COMPENSATION BOARD		
Assessment re: Accidents to Government Employees	**3,816.0**	4,204.7
Less: Recoverable from other appropriations	**(3,801.0)**	(4,189.7)
	15.0	15.0
Provides for remittances to the Workers' Compensation Board under the Workers' Compensation Act, related to assessments applicable to government employees injured at work. These remittances are then recovered from other departments in respect of their employees.		
CANADA PENSION PLAN Provides for the employer's matching contribution as required under the Canada Pension Plan Act for all eligible civil servants.	**19,466.0**	18,791.7
EMPLOYMENT INSURANCE PLAN Provides for the employer's share of premiums as required under the Employment Insurance Act for of all civil servants.	**17,747.4**	20,131.7
CIVIL SERVICE GROUP LIFE INSURANCE Provides for the government's share (one-third) of payments under The Public Servants Insurance Act that provides for basic insurance coverage, including group life and accidental death and dismemberment insurance, for all eligible civil servants.	**1,645.6**	1,760.7
DENTAL PLAN As negotiated under various collective agreements or as provided in the Regulations under the Civil Service Act, the Dental Plan provides coverage for basic and major restorative dentistry to all eligible civil servants. The plan carrier (Manitoba Blue Cross) is reimbursed for payments made to government employees under the plan as well as an administrative fee.	**5,845.5**	5,620.7

	Estimates of Expenditure 2000/2001 $(000's)	Estimates of Expenditure 1999/2000 $(000's)
LONG TERM DISABILITY PLAN As negotiated under various collective agreements or as provided by contract between the government and an insurance company, the LTD Plan provides partial income protection to eligible employees. The plan carrier (Great West Life) is reimbursed for payments made to government employees under the plan as well as administrative fees and expenses.	**3,497.0**	3,161.3
AMBULANCE AND HOSPITAL SEMI-PRIVATE PLAN As negotiated under various collective agreements, the Supplementary Health Plan provides for Ambulance and Hospital Semi-Private Plan to all eligible civil servants. Premium payments to the plan carrier (Manitoba Blue Cross) are made, based on the number of eligible employees.	**308.7**	234.0
VISION CARE As negotiated under various collective agreements, the Vision Care Plan provides coverage for prescription lenses and eye examinations for eligible civil servants. The plan carrier (Manitoba Blue Cross) is reimbursed for payments made to government employees under the plan as well as an administrative fee.	**1,052.4**	800.0
LEVY FOR HEALTH AND POST-SECONDARY EDUCATION Provides for the payment to the Department of Finance as required by the Health and Post-Secondary Education Tax Levy Act. Under this Act, an employer is required to pay a tax levy of 2.15 percent of salaries.	**13,803.4**	14,316.7
RECOVERIES FROM OTHER APPROPRIATIONS Provides for the recovery from other departments for the cost of the various employee benefits plans and related overhead charges, with the exception of the Civil Service Superannuation Plan and a portion of Worker's Compensation Board assessments.	**(63,366.0)**	(64,816.8)

PART 3

HISTORICAL INFORMATION

EMPLOYEE PENSIONS AND OTHER COSTS
FIVE YEAR EXPENDITURE SUMMARY BY SUB-APPROPRIATION ($000)
FOR YEARS ENDING MARCH 31, 1997 - MARCH 31, 2001

SUB-APPROPRIATION	ACTUAL EXPENDITURES*			ADJUSTED VOTE	ESTIMATES
	1996/1997 $(000's)	1997/1998 $(000's)	1998/1999 $(000's)	1999/2000 $(000's)	2000/2001 $(000's)
Civil Service Superannuation Plan	37,279.5	41,048.2	44,553.6	47,238.9	50,344.1
Other Salary Related Benefits	0.0	493.3	3,310.5	3,500.0	3,500.0
Workers' Compensation Board	432.6	(282.1)	50.5	15.0	15.0
Canada Pension Plan	12,991.2	14,481.0	15,741.8	18,791.7	19,466.0
Employment Insurance Plan	21,274.7	20,868.8	19,788.1	20,131.7	17,747.4
Group Life Insurance Plan	1,727.4	1,658.7	1,675.6	1,760.7	1,645.6
Dental Plan	4,388.2	4,508.7	5,218.2	5,620.7	5,845.5
Long Term Disability Plan	2,192.7	2,341.8	2,928.1	3,161.3	3,497.0
Ambulance and Hospital Semi-Private Plan	0.0	138.7	202.0	234.0	308.7
Vision Care	0.0	0.0	934.4	800.0	1,052.4
Levy for Health and Post-Secondary Education	13,594.5	14,019.8	14,382.9	14,316.7	13,803.4
Recoveries from Other Appropriations	(56,756.0)	(58,196.7)	(60,809.5)	(64,816.8)	(63,366.0)
TOTAL	37,124.8	41,080.2	47,976.2	50,753.9	53,859.1

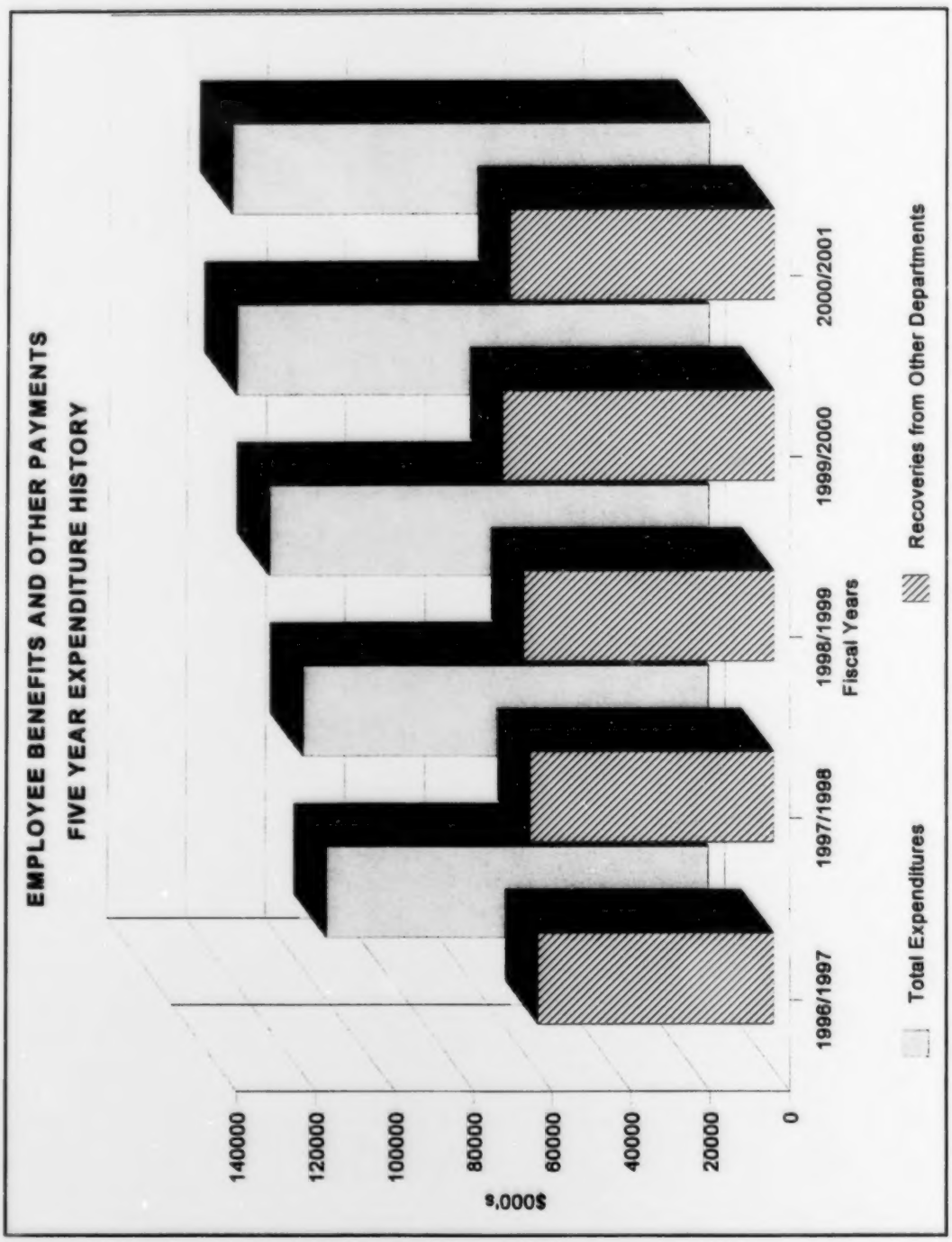
*Adjusted figures reflect historical data on a comparable basis in those appropriations affected by reorganization during the years under review.

1. Commencing with the 1998/99 fiscal year, the government will be recording its liability (Other Salary Related Benefits) for severance and separation pay earned and payable on retirement.

2. Ambulance & Hospital Semi-Private Plan premium payments were suspended in accordance with the 1994-96 Government Employees Master Agreement which permits the transfer of surplus funds from the plan to the province in order to achieve a target reduction of $0.45 million. Payments were reinstated effective August 1997.

3. Vision Care is a new benefit which came into effect July 1, 1998.

CHART 1


EMPLOYEE BENEFITS AND OTHER PAYMENTS
FIVE YEAR EXPENDITURE HISTORY
$,000$
140000
120000
100000
80000
60000
40000
20000
0
1996/1997
1997/1998
1998/1999
1999/2000
2000/2001
Fiscal Years
Total Expenditures
Recoveries from Other Departments